

Washington, DC -- U.S. Rep. Michael A. Arcuri (D-Utica) today joined a bipartisan majority in the U.S. House of Representatives to vote for legislation that would make the single largest investment in college financial aid since the 1944 GI Bill, helping millions of students and families pay for college at no new cost to taxpayers. The College Cost Reduction and Access Act now will be sent to the President's desk for his signature.

The College Cost Reduction and Access Act combines key elements from House and Senate bills that were passed in July. The legislation, H.R. 2669, would increase college financial aid by more than \$20 billion over the next five years. The bill pays for itself by reducing excessive federal subsidies paid to lenders in the college loan industry by \$20.9 billion. It also includes \$750 million in federal budget deficit reduction.

"I am proud to continue my commitment to help middle class families pay for higher education and help pass the biggest increase in student aid since the historic GI Bill," **said Arcuri**. "Increasing access to education is essential for economic growth in today's global marketplace. By investing in education we can grow the Upstate economy, creating jobs and expanding opportunity so we can keep young people here. All too often hard working families in the 24th district have found themselves priced out of higher education as tuition rises. This bill will help local families pay for higher education without a tax increase or other hidden costs."

According to Congressional Research Service estimates, students and families in New York would see \$2,217,665,000 in additional aid from decreased interest rates and increased Pell Grants over the next 5 years. In New York, 243,696 students take out need-based loans each year at public 4-year schools – causing a typical student to accumulate \$14,276 of debt. In the 24th district alone, there are 12,681 borrowers, attending our eight four-year colleges and universities and four two-year institutions.

Under H.R. 2669, the maximum value of the Pell Grant scholarship would increase by \$1,090 over the next five years, reaching \$5,400 by 2012. This increase would fully restore the purchasing power of Pell Grants, which were frozen at \$4,050 until Congress increased their value to \$4,310 earlier this year. Close to 6 million low- and moderate-income students would benefit from this increase.

To reduce the cost of loans for millions of student borrowers, H.R 2669 would cut interest rates in half on need-based student loans, from 6.8 percent to 3.4 percent over the next four years. Once fully phased-in, the interest rate cut would save the typical New York student borrower with need-based loans \$4,570 over the life of the loan.

In addition, the legislation would prevent student borrowers from facing unmanageable levels of federal student debt by guaranteeing that borrowers will never have to spend more than 15 percent of their yearly discretionary income on loan repayments and by allowing borrowers in economic hardship to have their loans forgiven after 25 years.

“The 24th district is home to many outstanding colleges and universities that provide high quality education and are engines of local economic development,” **said Arcuri**. “The College Cost Reduction and Access Act would help more local families and students attend these fine institutions.”

The College Cost Reduction and Access Act includes a number of other provisions to ease the financial burden on students and families, including:

- Tuition assistance for excellent undergraduate students who agree to teach in public schools;
- Loan forgiveness after 10 years of public service and loan repayment for college graduates that go into vital public service jobs;
- Landmark investments in Historically Black Colleges and Universities, Hispanic Serving Institutions and other minority serving institutions; and
- Strategies to help colleges contain costs and make online information on college costs for students and parents more user friendly.

Since taking office, Arcuri has also supported – and the House has passed – legislation to improve and reauthorize the national Head Start program, add thousands of highly qualified K-12 math and science teachers to our schools, and expand research opportunities.

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